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TAGS: [KNNP](#) [MNUC](#) [PREL](#) [KZ](#)
SUBJECT: KAZAKHSTAN HOLDS "DESIGN BASIS THREAT" GLOBAL
INITIATIVE EXERCISE

Classified By: Pol-Econ Chief Steven Fagin, Reasons 1.4 (b) and (d)

SUMMARY

1. (C) Participants from eight countries and various Kazakhstani government bodies and organizations attended Kazakhstan's second Global Initiative (GI) exercise of 2008 during September 10-13. The event, which took place at facilities of the Ulba Metallurgical Plant in Ust-Kamenogorsk, was dedicated to discussion of the physical protection of nuclear materials. Kazakhstan expressed appreciation for USG participation. Various high-level speakers, including Vice Minister of Energy and Mineral Resources Akchulakov, commented on Kazakhstan's leadership role in nuclear non-proliferation and successes safeguarding nuclear materials, such as lowly enriched uranium (LEU). A Kazatomprom representative briefly commented on one attempted theft of nuclear materials that was prevented in 1995, but overall, there appeared to be some reluctance on the part of Kazakhstani officials to provide concrete details on their physical security efforts. Conference participants were given a tour of the Ulba Metallurgical Plant, a uranium-pellet manufacturing facility which is apparently one of the most prosperous enterprises in eastern Kazakhstan. End Summary.

APPRECIATION FOR USG PARTICIPATION

2. (SBU) Kazakhstan hosted its second Global Initiative exercise of 2008 during September 10-13. The event, called "Design Basis Threat," took place in Ust-Kamenogorsk at facilities of the Ulba Metallurgical Plant. Over forty representatives from eight countries -- Cote d'Ivoire, Kazakhstan, Morocco, Russia, South Korea, Ukraine, the United Arab Emirates, and the United States -- attended. The USG was represented by an officer from State ISN/WMDT and a poloff from the Embassy. Participants from various Kazakhstani government and quasi-government organizations -- including the Ministry of Energy and Mineral Resources, Kazakhstan's Atomic Energy Agency, the Ministry of Internal Affairs, the National Nuclear Center, and Kazatomprom -- made presentations on the ways in which Kazakhstan ensures the protection of nuclear materials. They described procedures at all levels of the Kazakhstani government, from the country's broad commitments to international treaties to how local authorities and the private sector work together to protect the Ulba Metallurgical Plant, which manufactures uranium pellets from lowly-enriched uranium.

3. (SBU) The Kazakhstanis expressed appreciation for USG participation, and stressed that they looked forward to continuing close cooperation between Kazakhstan and the USG on the Global Initiative. (Comment: Kazakhstan has been a very active member of the Global Initiative. It hosted the third Global Initiative meeting in June 2007 in Astana, as well as two GI exercises in 2008. It currently plans to host two more GI exercises in 2009. End Comment.)

RELUCTANCE TO PROVIDE DETAILS ON PHYSICAL PROTECTION

14. (SBU) During the event, Vice Minister of Energy and Mineral Resources Bolat Akchulakov noted that under President Nazarbayev, Kazakhstan had "strengthened the foundations" for a system of non-proliferation and called on other countries to follow Kazakhstan's example. Kazatomprom Vice President Sergei Yashin stated that since the rising worldwide demand for energy is forcing countries to use more nuclear power, the physical protection of nuclear materials and facilities is an issue of great importance. Other Kazakhstani government representatives commented on the physical security of several facilities and transport of nuclear materials in Kazakhstan.

15. (C) Victor Pshenichniy, Deputy Director of Security at Kazatomprom, discussed ways to lower threats against nuclear facilities. He stressed in particular the importance of paying reasonable wages to workers and maintaining good morale at high threat facilities. He made mention of an incident at the Ulba Metallurgical Plant in 1995 when Kazakhstani authorities purportedly prevented the theft of nuclear materials. However, when asked for more details about such incidents by the delegate from Morocco, Kazakhstani seminar participants declined to comment. (Comment: Overall, the Kazakhstani participants appeared to be somewhat reluctant to share detailed and technical information on nuclear security, even in the portions of the seminar devoted to "informal interaction.")

INTERPRETATION PROBLEMS

16. (SBU) Unfortunately, there were problems with the interpretation services provided at the event. Several of delegations, notably the representatives from Morocco and South Korea, expressed frustration with this situation. Only one presentation, given by the Chief of the Control and Accountancy Department at the Ulba Metallurgical Plant, Yevgeniy Yasko, was accompanied by English-language slides. Yasko, who has visited several facilities in the U.S. on Energy Department-sponsored exchanges, emphasized how Kazakhstan used new technology, received as part of the Nunn-Lugar CTR program, to safeguard nuclear materials.

ULBA PLANT APPEARS SUCCESSFUL

17. (SBU) Kazakhstan's national atomic energy company, Kazatomprom, was responsible for selecting the Ulba Metallurgical Plant to host the GI event. The plant currently imports lowly enriched uranium (LEU) from Russia and processes it into fuel pellets, which are then re-sold to Russia for further processing. Ulba was a well-chosen venue for the GI event from several points of view. First, Ulba houses large quantities of LEU, resulting in regular IAEA monitoring of the plant. Second, during Soviet times, Ulba was a secret facility, and access was completely restricted.

18. (C) During the GI event, participants were given a tour of the plant, which was ostensibly shut down for IAEA inspections. The two Kazakhstani Foreign Ministry representatives in attendance, one of whom stated that he is a physicist who has been working on nuclear issues for 15 years, had never before been invited to visit Ulba. They said that the security procedures for admission were very complicated. The plant's equipment and the administrative buildings appeared modern, although the buildings and grounds of the uranium production facilities did not show extensive signs of renovation. Kazatomprom's Victor Pshenichniy recalled the role of Ulba in the Soviet nuclear program with nostalgia and pride, and stated that a museum is being built on the grounds.

19. (SBU) Participants also visited a resort operated by Ulba,

located approximately 90 minutes by car from Ust-Kamenogorsk.

The resort is one of three reserved for use by company employees for vacationing. It underwent extensive renovations two years ago, an indication of the prosperity of the company at the present. Several employees from Ulba attending the conference emphasized that Ulba was one of the best companies in eastern Kazakhstan and offered plentiful opportunities for professional advancement.

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